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MAR 29 2005

BY: JW

FINANCIAL STATUS REPORT (Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted: U.S. Election Assistance Commission
2. Federal Grant or Other Identifying Number Assigned By Federal Agency: HAVA Title II Funds (FY 2003 report)
OMB Approval No. 0348-0039 Page of 1 1 pages
3. Recipient Organization (Name and complete address, including ZIP code): North Carolina State Board of Elections, P.O. Box 27255, Raleigh, N.C. 27611
4. Employer Identification Number: 56-1935214B
5. Recipient Account Number or Identifying Number: 6001-280025-2400
6. Final Report: [] Yes [] No
7. Basis: [] Cash [] Accrual
8. Funding/Grant Period (See instructions): From: 6/17/2004 To: 8/23/2004
9. Period Covered by this Report: From: 10/1/2003 To: 9/30/2004
10. Transactions: Table with columns I Previously Reported, II This Period, III Cumulative. Rows include Total outlays, Refunds, rebates, etc., Program income used in accordance with the deduction alternative, Net outlays, Recipient's share of net outlays, Federal share of net outlays, Total Federal share, Total Federal funds authorized, Unobligated balance of Federal funds, Program income, and Indirect Expense.

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STATE BOARD OF ELECTIONS

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GARY O. BARTLETT
Executive Director

MAILING ADDRESS:
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RALEIGH, NC 27611-7255

March 28, 2005

State HAVA Funding Reports
U.S. Election Assistance Commission
1225 New York Avenue, NW-Suite 100
Washington, D.C. 20005

Re: North Carolina FY03 Consolidated Report on Section 251 Requirements Payments

Dear Election Assistance Commission:

Pursuant to 42 USC §15408, (Section 258 of HAVA), North Carolina submits its report for the Federal FY03 (October 1, 2003-September 30, 2004) as to its activities during that period of time as to HAVA Title II requirement funds.

Enclosed is Form 269 report as to Title II requirement funds activity for FY03. On June 17, 2004, North Carolina received \$23,431,708 in FY03 HAVA Title II requirement funds. On August 23, 2004, North Carolina received \$42,046,100 in FY04 HAVA Title II requirement funds. This was supplemented by a total of \$3,444,133 in state matching funds that had been appropriated by the North Carolina General Assembly prior to the delivery of the federal HAVA Title II requirement funds. Interest earned on the federal HAVA Title II requirement funds and the state matching funds in federal FY 03 was \$145,239.87.

As required by Section 258(1) to be reported, total expenditures of the Title II requirement funds in FY03 were \$722,828.93 with expenditures made in two areas:

1. \$701,614 made in Technology Grants to counties to improve election administration. This expenditure would be in the other activities category allowed in Section 251(b) and within the allowance of spending Title II funds for other activities as long as it does not exceed the minimum payment amount. By a March 4, 2005 e-mail from Peggy Sims of the EAC to Don Wright of this agency, the EAC confirmed our agency's understanding that, "As North Carolina has received both its FY 2003 and 2004 requirements payments, the State should be able to apply \$11,596,903 (FY 2003 - \$ 4,150,000 and FY 2004 - \$ 7,446,803) toward other improvements to the administration of elections for Federal office, so long as those improvements are not inconsistent with the requirements of Title

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III and the State remains in compliance with the Federal laws listed in HAVA section 906.”

Information on this grant program is enclosed. The improvements made by this program were not inconsistent with the requirements of Title III and were made in compliance with the Federal laws listed in HAVA section 906. Grants and expenditures related to this program were funded and made in both FY03 and FY04, but the \$701,614 reported herein was the amount expended in FY03.

2. \$21,214.93 in costs for labor performed to help the North Carolina Statewide voter registration database (SEIMS) to conform to HAVA requirements. This expenditure was in the category of meeting requirements of Section 303 of Title III.

As required by Section 258(2) to be reported, no expenditures of Title II HAVA requirement funds were made for articles of voting equipment in FY03.

As required by Section 258(3) to be reported, an analysis and description of the activities funded are set out below:

Technology Grant Program

As the enclosed information on the Technology Grant program shows, the purpose of the program was to bring the technology level of county elections offices up to a level that would allow them to more efficiently operate as to their day to day operations. This program was included in the HAVA budget in the North Carolina State HAVA Plan. The budget was set out in Section Six of the plan, and includes in its next to last line item, “County Technology Improvements” of which this program was a part. **Please note that the enclosed summary report reflects the total activity of the program both in FY03 and FY04.**

This program also directly improved the operations of the statewide voter registration database (SEIMS), as mandated by Section 303 of HAVA, which in 2004 operated on a real-time basis with 96 of the 100 North Carolina counties. The other four counties, not completely converted to SEIMS in 2004, also had their databases on SEIMS, but with changes as to their data being made in SEIMS on a daily, not real-time basis. (As of the date of this report, two additional counties have been fully converted to SEIMS, with the remaining two counties set for conversion later this year.) Numerous electronic SEIMS and voter registration transactions occur each day with all counties and the technology improvements were needed to make sure the counties and the voters they serve could receive the full benefits and services SEIMS offered them.

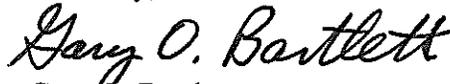
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Labor Costs for SEIMS Improvement

As mandated by Section 303 of HAVA, SEIMS has been and continues to be upgraded to meet the requirements set out in that section. SEIMS improvements have been made in the voter registration area as to ID verification interface with DMV, confirmation and verification NVRA procedures, and first-time voter ID requirement support. These FY03 labor expenditures for SEIMS dealt with these improvements. The expenditures were included in the HAVA budget in the North Carolina State HAVA Plan. The budget was set out in Section Six of the plan, and includes in its last line item, "SBOE Personnel for HAVA Activities" of which these expenditures were a part.

If you are in need of further information as to these FY03 Title II expenditures, please contact our agency.

Sincerely,



Gary O. Bartlett
Executive Director